



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB6206

Introduced 2/11/2010, by Rep. Kevin A. McCarthy

#### SYNOPSIS AS INTRODUCED:

110 ILCS 979/10  
110 ILCS 979/30  
110 ILCS 979/35  
110 ILCS 979/45  
110 ILCS 979/50  
110 ILCS 979/65

Amends the Illinois Prepaid Tuition Act. Changes references from "MAP-eligible institution" to "eligible institution" and provides that the term also means an institution not located in the State that otherwise, in the judgment of the Illinois Student Assistance Commission, meets standards substantially equivalent to those described in the definition of "institution of higher learning" as defined in specified provisions of the Higher Education Student Assistance Act and whose students are eligible to receive benefits under specified provisions of the Internal Revenue Code of 1986, as specified by the federal Small Business Act of 1996 and subsequent amendments to that federal law. Provides that a prepaid tuition contract shall include, but is not limited to, provisions for portability of the accrued value of the prepayment value for use at an eligible institution located outside the State. Makes conforming changes. Effective July 1, 2010.

LRB096 20404 MJR 36050 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Prepaid Tuition Act is amended by  
5 changing Sections 10, 30, 35, 45, 50, and 65 as follows:

6 (110 ILCS 979/10)

7 Sec. 10. Definitions. In this Act:

8 "Illinois public university" means the University of  
9 Illinois, Illinois State University, Chicago State University,  
10 Governors State University, Southern Illinois University,  
11 Northern Illinois University, Eastern Illinois University,  
12 Western Illinois University, or Northeastern Illinois  
13 University.

14 "Illinois community college" means a public community  
15 college as defined in Section 1-2 of the Public Community  
16 College Act.

17 "Eligible ~~MAP eligible~~ institution" means an institution  
18 of higher learning, as defined in Section 10 of the Higher  
19 Education Student Assistance Act, a public institution of  
20 higher education or a nonpublic institution of higher education  
21 whose students are eligible to receive need based student  
22 financial assistance through State Monetary Award Program  
23 (MAP) grants administered by the Illinois Student Assistance

1 ~~Commission under the Higher Education Student Assistance Act~~  
2 ~~and~~ whose students ~~also~~ are eligible to receive benefits under  
3 Section 529(a) of the Internal Revenue Code of 1986, as  
4 specified by the federal Small Business Act of 1996 and  
5 subsequent amendments to this federal law. "Eligible  
6 institution" also means an institution not located in this  
7 State that otherwise, in the judgment of the Commission, meets  
8 standards substantially equivalent to those described in the  
9 definition of "institution of higher learning" as defined in  
10 Section 10 of the Higher Education Student Assistance Act and  
11 whose students are eligible to receive benefits under Section  
12 529(a) of the Internal Revenue Code of 1986, as specified by  
13 the federal Small Business Act of 1996 and subsequent  
14 amendments to that federal law.

15 "Illinois prepaid tuition contract" or "contract" means a  
16 contract entered into between the State and a Purchaser under  
17 Section 45 to provide for the higher education of a qualified  
18 beneficiary.

19 "Illinois prepaid tuition program" or "program" means the  
20 program created in Section 15.

21 "Purchaser" means a person who makes or has contracted to  
22 make payments under an Illinois prepaid tuition contract.

23 "Public institution of higher education" means an Illinois  
24 public university or Illinois community college.

25 "Nonpublic institution of higher education" means any  
26 eligible institution ~~MAP eligible educational organization,~~

1 other than a public institution of higher education, ~~that~~  
2 ~~provides a minimum of an organized 2-year program at the~~  
3 ~~postsecondary level and that operates in conformity with~~  
4 ~~standards substantially equivalent to those of public~~  
5 ~~institutions of higher education.~~

6 "Qualified beneficiary" means (i) anyone who has been a  
7 resident of this State for at least 12 months prior to the date  
8 of the contract, or (ii) a nonresident, so long as the  
9 purchaser has been a resident of the State for at least 12  
10 months prior to the date of the contract, or (iii) any person  
11 less than one year of age whose parent or legal guardian has  
12 been a resident of this State for at least 12 months prior to  
13 the date of the contract.

14 "Tuition" means the quarter or semester charges imposed on  
15 a qualified beneficiary to attend an eligible ~~a MAP-eligible~~  
16 institution.

17 "Mandatory Fees" means those quarter or semester fees  
18 imposed upon all students enrolled at an eligible ~~a~~  
19 ~~MAP-eligible~~ institution.

20 "Registration Fees" means the charges derived by combining  
21 tuition and mandatory fees.

22 "Contract Unit" means 15 credit hours of instruction at an  
23 eligible ~~a MAP-eligible~~ institution.

24 "Panel" means the investment advisory panel created under  
25 Section 20.

26 "Commission" means the Illinois Student Assistance

1 Commission.

2 (Source: P.A. 93-56, eff. 7-1-03.)

3 (110 ILCS 979/30)

4 Sec. 30. Investment Advisory Panel duties and  
5 responsibilities.

6 (a) Advice and review. The panel shall offer advice and  
7 counseling regarding the investments of the Illinois prepaid  
8 tuition program with the objective of obtaining the best  
9 possible return on investments consistent with actuarial  
10 soundness of the program. The panel is required to annually  
11 review and advise the Commission on provisions of the strategic  
12 investment plan for the prepaid tuition program. The panel is  
13 also charged with reviewing and advising the Commission with  
14 regard to the annual report that describes the current  
15 financial condition of the program. The panel at its own  
16 discretion also may advise the Commission on other aspects of  
17 the program.

18 (b) Investment plan. The Commission annually shall adopt a  
19 comprehensive investment plan for purposes of this Section. The  
20 comprehensive investment plan shall specify the investment  
21 policies to be utilized by the Commission in its administration  
22 of the Illinois Prepaid Tuition Trust Fund created by Section  
23 35. The Commission may direct that assets of those Funds be  
24 placed in savings accounts or may use the same to purchase  
25 fixed or variable life insurance or annuity contracts,

1 securities, evidence of indebtedness, or other investment  
2 products pursuant to the comprehensive investment plan and in  
3 such proportions as may be designated or approved under that  
4 plan. The Commission shall invest such assets with the care,  
5 skill, prudence, and diligence under the circumstances then  
6 prevailing that a prudent man acting in a like capacity and  
7 familiar with such matters would use in the conduct of an  
8 enterprise of a like character with like aims, and the  
9 Commission shall diversify the investments of such assets so as  
10 to minimize the risk of large losses, unless under the  
11 circumstances it is clearly prudent not to do so. Those  
12 insurance, annuity, savings, and investment products shall be  
13 underwritten and offered in compliance with applicable federal  
14 and State laws, rules, and regulations by persons who are  
15 authorized thereunder to provide those services. The  
16 Commission shall delegate responsibility for preparing the  
17 comprehensive investment plan to the Executive Director of the  
18 Commission. Nothing in this Section shall preclude the  
19 Commission from contracting with a private corporation or  
20 institution to provide such services as may be a part of the  
21 comprehensive investment plan or as may be deemed necessary for  
22 implementation of the comprehensive investment plan,  
23 including, but not limited to, providing consolidated billing,  
24 individual and collective record keeping and accounting, and  
25 asset purchase, control, and safekeeping.

26 (c) Program management. The Commission may not delegate its

1 management functions, but may arrange to compensate for  
2 personalized investment advisory services rendered with  
3 respect to any or all of the investments under its control an  
4 investment advisor registered under Section 8 of the Illinois  
5 Securities Law of 1953 or any bank or other entity authorized  
6 by law to provide those services. Nothing contained herein  
7 shall preclude the Commission from subscribing to general  
8 investment research services available for purchase or use by  
9 others. The Commission also shall have authority to compensate  
10 for accounting, computing, and other necessary services.

11 (d) Annual report. The Commission shall annually prepare or  
12 cause to be prepared a report setting forth in appropriate  
13 detail an accounting of all Illinois prepaid tuition program  
14 funds and a description of the financial condition of the  
15 program at the close of each fiscal year. Included in this  
16 report shall be an evaluation by at least one nationally  
17 recognized actuary of the financial viability of the program.  
18 This report shall be submitted to the Governor, the President  
19 of the Senate, the Speaker of the House of Representatives, the  
20 Auditor General, and the Board of Higher Education on or before  
21 March 1 of the subsequent fiscal year. This report also shall  
22 be made available to purchasers of Illinois prepaid tuition  
23 contracts and shall contain complete Illinois prepaid tuition  
24 contract sales information, including, but not limited to,  
25 projected postsecondary enrollment data for qualified  
26 beneficiaries.

1           (e) Marketing plan. Selection of a marketing agent for the  
2 Illinois prepaid tuition program must be approved by the  
3 Commission. At least once every 3 years, the Commission shall  
4 solicit proposals for marketing of the Illinois prepaid tuition  
5 program in accordance with the Illinois Securities Law of 1953  
6 and any applicable provisions of federal law. The entity  
7 designated pursuant to this paragraph shall serve as a  
8 centralized marketing agent for the program and shall have  
9 exclusive responsibility for marketing the program. No  
10 contract for marketing the Illinois prepaid tuition program  
11 shall extend for longer than 3 years. Any materials produced  
12 for the purpose of marketing the program shall be submitted to  
13 the Executive Director of the Commission for approval before  
14 they are made public. Any eligible ~~Illinois MAP-eligible~~  
15 institution may distribute marketing materials produced for  
16 the program, so long as the Executive Director of the  
17 Commission approves the distribution in advance. Neither the  
18 State nor the Commission shall be liable for misrepresentation  
19 of the program by a marketing agent.

20           (f) Accounting and audit. The Commission shall annually  
21 cause to be prepared an accounting of the trust and shall  
22 transmit a copy of the accounting to the Governor, the  
23 President of the Senate, the Speaker of the House, and the  
24 minority leaders of the Senate and House of Representatives.  
25 The Commission shall also make available this accounting of the  
26 trust to any purchaser of an Illinois prepaid tuition contract,

1 upon request. The accounts of the Illinois prepaid tuition  
2 program shall be subject to annual audits by the Auditor  
3 General or a certified public accountant appointed by the  
4 Auditor General.

5 (Source: P.A. 90-546, eff. 12-1-97; 91-669, eff. 1-1-00.)

6 (110 ILCS 979/35)

7 Sec. 35. Illinois Prepaid Tuition Trust Fund.

8 (a) The Illinois Prepaid Tuition Trust Fund is created as  
9 the repository of all moneys received by the Commission in  
10 conjunction with the Illinois prepaid tuition program. The  
11 Illinois Prepaid Tuition Trust Fund also shall be the official  
12 repository of all contributions, appropriations, interest and  
13 dividend payments, gifts, or other financial assets received by  
14 the Commission in connection with operation of the Illinois  
15 prepaid tuition program. All such moneys shall be deposited in  
16 the Illinois Prepaid Tuition Trust Fund and held by the State  
17 Treasurer as ex-officio custodian thereof, outside of the State  
18 Treasury, separate and apart from all public moneys or funds of  
19 this State.

20 All interest or other earnings accruing or received on  
21 amounts in the Illinois Prepaid Tuition Trust Fund shall be  
22 credited to and retained by the Fund. Moneys, interest, or  
23 other earnings paid into the Fund shall not be transferred or  
24 allocated by the Commission, the State Treasurer, or the State  
25 Comptroller to any other fund, nor shall the Governor authorize

1 any such transfer or allocation, while any contracts are  
2 outstanding. The State Comptroller shall not offset moneys paid  
3 to institutions from the Illinois Prepaid Tuition Trust Fund  
4 (unless the Trust Fund moneys are used for child support). In  
5 addition, no moneys, interest, or other earnings paid into the  
6 Fund shall be used, temporarily or otherwise, for interfund  
7 borrowing or be otherwise used or appropriated except as  
8 expressly authorized in this Act.

9 The Illinois Prepaid Tuition Trust Fund and each individual  
10 participant account that may be created in that Fund in  
11 conjunction with the Illinois prepaid tuition program shall be  
12 subject to audit in the same manner as funds and accounts  
13 belonging to the State of Illinois and shall be protected by  
14 the official bond given by the State Treasurer.

15 (b) The Commission from time to time shall direct the State  
16 Treasurer to invest moneys in the Illinois Prepaid Tuition  
17 Trust Fund that are not needed for immediate disbursement, in  
18 accordance with provisions of the investment plan approved by  
19 the Commission.

20 (c) The Executive Director of the Commission shall, at such  
21 times and in such amounts as shall be necessary, prepare and  
22 send to the State Comptroller vouchers requesting payment from  
23 the Illinois Prepaid Tuition Trust Fund for: (i) registration  
24 ~~tuition and~~ fee payments to eligible ~~MAP-eligible~~ institutions  
25 on behalf of qualified beneficiaries of Illinois prepaid  
26 tuition contracts, and (ii) payments associated with

1 administration of the Illinois prepaid tuition program.

2 (d) The Governor shall indicate in a separate document  
3 submitted concurrent with each annual State budget the  
4 estimated amount of moneys in the Illinois Prepaid Tuition  
5 Trust Fund which shall be necessary and sufficient, during that  
6 State fiscal year, to discharge all obligations anticipated  
7 under Illinois prepaid tuition contracts. The Governor also  
8 shall indicate in a separate document submitted concurrent with  
9 each annual State budget the amount of moneys from the Illinois  
10 Prepaid Tuition Trust Fund necessary to cover anticipated  
11 expenses associated with administration of the program. The  
12 Commission shall obtain concurrence from a nationally  
13 recognized actuary as to all amounts necessary for the program  
14 to meet its obligations. These amounts shall be certified  
15 annually to the Governor by the Commission no later than  
16 January 30.

17 During the first 18 months of operation of the Illinois  
18 prepaid tuition program, the Governor shall request an  
19 appropriation to the Commission from general funds sufficient  
20 to pay for start-up costs associated with establishment of the  
21 program. This appropriation constitutes a loan that shall be  
22 repaid to the General Revenue Fund within 5 years by the  
23 Commission from prepaid tuition program contributions.  
24 Subsequent program administrative costs shall be provided from  
25 reasonable fees and charges equitably assessed to purchasers of  
26 prepaid tuition contracts.

1 (e) If the Commission determines that there are  
2 insufficient moneys in the Illinois Prepaid Tuition Trust Fund  
3 to pay contractual obligations in the next succeeding fiscal  
4 year, the Commission shall certify the amount necessary to meet  
5 these obligations to the Board of Higher Education, the  
6 Governor, the President of the Senate, and the Speaker of the  
7 House of Representatives. The Governor shall submit the amount  
8 so certified to the General Assembly as soon as practicable,  
9 but no later than the end of the current State fiscal year.

10 (f) In the event the Commission, with the concurrence of  
11 the Governor, determines the program to be financially  
12 infeasible, the Commission may discontinue, prospectively, the  
13 operation of the program. Any qualified beneficiary who has  
14 been accepted by and is enrolled or will within 5 years enroll  
15 at an eligible ~~a MAP-eligible~~ institution shall be entitled to  
16 exercise the complete benefits specified in the Illinois  
17 prepaid tuition contract. All other contract holders shall  
18 receive an appropriate refund of all contributions and accrued  
19 interest up to the time that the program is discontinued.

20 (Source: P.A. 93-56, eff. 7-1-03.)

21 (110 ILCS 979/45)

22 Sec. 45. Illinois prepaid tuition contracts.

23 (a) The Commission may enter into an Illinois prepaid  
24 tuition contract with a purchaser under which the Commission  
25 contracts on behalf of the State to pay full tuition and

1 mandatory fees at an Illinois public university or Illinois  
2 community college for a qualified beneficiary to attend the  
3 eligible ~~MAP-eligible~~ institution to which the qualified  
4 beneficiary is admitted. Each contract shall contain terms,  
5 conditions, and provisions that the Commission determines to be  
6 necessary for ensuring the educational objectives and  
7 sustainable financial viability of the Illinois prepaid  
8 tuition program.

9 (b) Each contract shall have one designated purchaser and  
10 one designated qualified beneficiary. Unless otherwise  
11 specified in the contract, the purchaser owns the contract and  
12 retains any tax liability for its assets only until the first  
13 distribution of benefits. Contracts shall be purchased in units  
14 of 15 credit hours ~~at any MAP-eligible institution.~~

15 (c) Without exception, benefits may be received by a  
16 qualified beneficiary of an Illinois prepaid tuition contract  
17 no earlier than 3 years from the date the contract is  
18 purchased.

19 (d) A prepaid tuition contract shall contain, but is not  
20 limited to, provisions for (i) refunds or withdrawals in  
21 certain circumstances, with or without interest or penalties;  
22 (ii) conversion of the contract at the time of distribution  
23 from accrued prepayment value at one type of eligible  
24 ~~MAP-eligible~~ institution to the accrued prepayment value at a  
25 different type of eligible ~~MAP-eligible~~ institution; (iii)  
26 portability of the accrued value of the prepayment value for

1 use at an eligible institution located outside this State  
2 ~~out-of-state higher education institution;~~ (iv)  
3 transferability of the contract benefits within the qualified  
4 beneficiary's immediate family; and (v) a specified benefit  
5 period during which the contract may be redeemed.

6 (e) Each Illinois prepaid tuition contract also shall  
7 contain, at minimum, all of the following:

8 (1) The amount of payment or payments and the number of  
9 payments required from a purchaser on behalf of a qualified  
10 beneficiary.

11 (2) The terms and conditions under which purchasers  
12 shall remit payments, including, but not limited to, the  
13 date or dates upon which each payment shall be due.

14 (3) Provisions for late payment charges and for  
15 default.

16 (4) Provisions for penalty fees payable incident to an  
17 authorized withdrawal.

18 (5) The name, date of birth, and social security number  
19 of the qualified beneficiary on whose behalf the contract  
20 is drawn and the terms and conditions under which the  
21 contract may be transferred to another qualified  
22 beneficiary.

23 (6) The name and social security number of any person  
24 who may terminate the contract, together with terms that  
25 specify whether the contract may be terminated by the  
26 purchaser, the qualified beneficiary, a specific

1 designated person, or any combination of these persons.

2 (7) The terms and conditions under which a contract may  
3 be terminated, the name and social security number of the  
4 person entitled to any refund due as a result of the  
5 termination of the contract pursuant to those terms and  
6 conditions, and the method for determining the amount of a  
7 refund.

8 (8) The time limitations, if any, within which the  
9 qualified beneficiary must claim his or her benefits  
10 through the program.

11 (9) Other terms and conditions determined by the  
12 Commission to be appropriate.

13 (f) In addition to the contract provisions set forth in  
14 subsection (e), each Illinois prepaid tuition contract shall  
15 include:

16 (1) The number of credit hours contracted by the  
17 purchaser.

18 (2) The type of eligible ~~MAP-eligible~~ institution and  
19 the prepaid tuition plan toward which the credit hours  
20 shall be applied.

21 (3) The explicit contractual obligation of the  
22 Commission to the qualified beneficiary to provide a  
23 specific number of credit hours of undergraduate  
24 instruction at an eligible ~~a MAP-eligible~~ institution, not  
25 to exceed the maximum number of credit hours required for  
26 the conference of a degree that corresponds to the plan

1 purchased on behalf of the qualified beneficiary.

2 (g) The Commission shall indicate by rule the conditions  
3 under which refunds are payable to a contract purchaser.  
4 Generally, no refund shall exceed the amount paid into the  
5 Illinois Prepaid Tuition Trust Fund by the purchaser. In the  
6 event that a contract is converted from a Public University  
7 Plan described in subsection (j) of this Section to a Community  
8 College Plan described in subsection (k) of this Section, the  
9 refund amount shall be reduced by the amount transferred to the  
10 Illinois community college on behalf of the qualified  
11 beneficiary. Except where the Commission may otherwise rule,  
12 refunds may exceed the amount paid into the Illinois Prepaid  
13 Tuition Trust Fund only under the following circumstances:

14 (1) If the qualified beneficiary is awarded a grant or  
15 scholarship at a public institution of higher education,  
16 the terms of which duplicate the benefits included in the  
17 Illinois prepaid tuition contract, then moneys paid for the  
18 purchase of the contract shall be returned to the  
19 purchaser, upon request, in semester installments that  
20 coincide with the matriculation by the qualified  
21 beneficiary, in an amount equal to the current cost of  
22 tuition and mandatory fees at the public institution of  
23 higher education ~~MAP-eligible institution~~ where the  
24 qualified beneficiary is enrolled.

25 (1.5) If the qualified beneficiary is awarded a grant  
26 or scholarship while enrolled at either an eligible a

1       ~~MAP-eligible~~ nonpublic institution of higher education or  
2       an eligible public or private out-of-state higher  
3       education institution, the terms of which duplicate the  
4       benefits included in the Illinois prepaid tuition  
5       contract, then money paid for the purchase of the contract  
6       shall be returned to the purchaser, upon request, in  
7       semester installments that coincide with the matriculation  
8       by the qualified beneficiary. The amount paid shall not  
9       exceed the current average mean-weighted credit hour value  
10      of the registration fees purchased under the contract.

11       (2) In the event of the death or total disability of  
12      the qualified beneficiary, moneys paid for the purchase of  
13      the Illinois prepaid tuition contract shall be returned to  
14      the purchaser together with all accrued earnings.

15       (3) If an Illinois prepaid tuition contract is  
16      converted from a Public University Plan to a Community  
17      College Plan, then the amount refunded shall be the value  
18      of the original Illinois prepaid tuition contract minus the  
19      value of the contract after conversion.

20      No refund shall be authorized under an Illinois prepaid  
21      tuition contract for any semester partially attended but not  
22      completed.

23      The Commission, by rule, shall set forth specific  
24      procedures for making contract payments in conjunction with  
25      grants and scholarships awarded to contract beneficiaries.

26      Moneys paid into or out of the Illinois Prepaid Tuition

1 Trust Fund by or on behalf of the purchaser or the qualified  
2 beneficiary of an Illinois prepaid tuition contract are exempt  
3 from all claims of creditors of the purchaser or beneficiary,  
4 so long as the contract has not been terminated.

5 The State or any State agency, county, municipality, or  
6 other political subdivision, by contract or collective  
7 bargaining agreement, may agree with any employee to remit  
8 payments toward the purchase of Illinois prepaid tuition  
9 contracts through payroll deductions made by the appropriate  
10 officer or officers of the entity making the payments. Such  
11 payments shall be held and administered in accordance with this  
12 Act.

13 (h) Nothing in this Act shall be construed as a promise or  
14 guarantee that a qualified beneficiary will be admitted to an  
15 eligible ~~a MAP-eligible~~ institution or to a particular eligible  
16 ~~MAP-eligible~~ institution, will be allowed to continue  
17 enrollment at an eligible ~~a MAP-eligible~~ institution after  
18 admission, or will be graduated from an eligible ~~a MAP-eligible~~  
19 institution.

20 (i) The Commission shall develop and make prepaid tuition  
21 contracts available under a minimum of at least 2 independent  
22 plans to be known as the Public University Plan and the  
23 Community College Plan.

24 Contracts shall be purchased in units of 15 credit hours at  
25 either an Illinois public university or an Illinois community  
26 college. The minimum purchase amount per qualified beneficiary

1 shall be one unit or 15 credit hours. The maximum purchase  
2 amount shall be 9 units (or 135 credit hours) for the Public  
3 University Plan and 4 units (or 60 credit hours) for the  
4 Community College Plan.

5 (j) Public University Plan. Through the Public University  
6 Plan, the Illinois prepaid tuition contract shall provide  
7 prepaid registration fees, which include full tuition costs as  
8 well as mandatory fees, for a specified number of undergraduate  
9 credit hours, not to exceed the maximum number of credit hours  
10 required for the conference of a baccalaureate degree. In  
11 determining the cost of participation in the Public University  
12 Plan, the Commission shall reference the combined  
13 mean-weighted current registration fees from all Illinois  
14 public universities.

15 In the event that a qualified beneficiary for whatever  
16 reason chooses to attend an Illinois community college, the  
17 qualified beneficiary may convert the average number of credit  
18 hours required for the conference of an associate degree from  
19 the Public University Plan to the Community College Plan and  
20 may retain the remaining Public University Plan credit hours or  
21 may request a refund for prepaid credit hours in excess of  
22 those required for conference of an associate degree. In  
23 determining the amount of any refund, the Commission also shall  
24 recognize the current relative credit hour cost of the 2 plans  
25 when making any conversion.

26 Qualified beneficiaries shall bear the cost of any

1 laboratory or other non-mandatory fees associated with  
2 enrollment in specific courses. Qualified beneficiaries who  
3 are not Illinois residents shall bear the difference in cost  
4 between in-state registration fees guaranteed by the prepaid  
5 tuition contract and tuition and other charges assessed upon  
6 out-of-state students by the eligible ~~MAP-eligible~~  
7 institution.

8 (k) Community College Plan. Through the Community College  
9 Plan, the Illinois prepaid tuition contract shall provide  
10 prepaid registration fees, which include full tuition costs as  
11 well as mandatory fees, for a specified number of undergraduate  
12 credit hours, not to exceed the maximum number of credit hours  
13 required for the conference of an associate degree. In  
14 determining the cost of participation in the Community College  
15 Plan, the Commission shall reference the combined  
16 mean-weighted current registration fees from all Illinois  
17 community colleges.

18 In the event that a qualified beneficiary for whatever  
19 reason chooses to attend an Illinois public university, the  
20 qualified beneficiary's prepaid tuition contract shall be  
21 converted for use at that Illinois public university by  
22 referencing the current average mean-weighted credit hour  
23 value of registration fees at Illinois community colleges  
24 relative to the corresponding value of registration fees at  
25 Illinois public universities.

26 Qualified beneficiaries shall bear the cost of any

1 laboratory or other non-mandatory fees associated with  
2 enrollment in specific courses. Qualified beneficiaries who  
3 are not Illinois residents shall bear the difference in cost  
4 between in-state registration fees guaranteed by the prepaid  
5 tuition contract and tuition and other charges assessed upon  
6 out-of-state students by the eligible ~~MAP-eligible~~  
7 institution.

8 (l) A qualified beneficiary may apply the benefits of any  
9 Illinois prepaid tuition contract toward a nonpublic  
10 institution of higher education. In the event that a qualified  
11 beneficiary for whatever reason chooses to attend a nonpublic  
12 institution of higher education, the qualified beneficiary's  
13 prepaid tuition contract shall be converted for use at that  
14 nonpublic institution of higher education by referencing the  
15 current average mean-weighted credit hour value of  
16 registration fees purchased under the contract. The Commission  
17 shall transfer, or cause to have transferred, this amount, less  
18 a transfer fee, to the nonpublic institution on behalf of the  
19 beneficiary. In the event that the cost of registration charged  
20 to the beneficiary at the nonpublic institution of higher  
21 education is less than the aggregate value of the Illinois  
22 prepaid tuition contract, any remaining amount shall be  
23 transferred in subsequent semesters until the transfer value is  
24 fully depleted.

25 (m) A qualified beneficiary may apply the benefits of any  
26 Illinois prepaid tuition contract toward an eligible

1 out-of-state college or university. Institutional eligibility  
2 for out-of-state colleges and universities shall be determined  
3 by the Commission according to the criteria set forth for an  
4 "eligible institution" as defined in Section 10 of this Act,  
5 ~~but in making those determinations the Commission shall~~  
6 ~~recognize that the benefits of an Illinois prepaid tuition~~  
7 ~~contract may not be used at any postsecondary educational~~  
8 ~~institution that is both operated for profit and located~~  
9 ~~outside of Illinois.~~ In the event that a qualified beneficiary  
10 for whatever reason chooses to attend an eligible out-of-state  
11 college or university, the qualified beneficiary's prepaid  
12 tuition contract shall be converted for use at that college or  
13 university by referencing the current average mean-weighted  
14 credit hour value of registration fees purchased under the  
15 contract. The Commission shall transfer, or cause to have  
16 transferred, this amount, less a transfer fee, to the college  
17 or university on behalf of the beneficiary. In the event that  
18 the cost of registration charged to the beneficiary at the  
19 eligible out-of-state college or university is less than the  
20 aggregate value of the Illinois prepaid tuition contract, any  
21 remaining amount shall be transferred in subsequent semesters  
22 until the transfer value is fully depleted.

23 (n) Illinois prepaid tuition contracts may be purchased  
24 either by lump sum or by installments. No penalty shall be  
25 assessed for early payment of installment contracts.

26 (o) The Commission shall annually adjust the price of new

1 contracts, in accordance with the annual changes in  
2 registration fees at Illinois public universities and  
3 community colleges.

4 (Source: P.A. 95-217, eff. 8-16-07.)

5 (110 ILCS 979/50)

6 Sec. 50. Confidentiality and disclosure. Information that  
7 (i) identifies the purchasers or qualified beneficiaries of any  
8 Illinois prepaid tuition contract or any terms or provisions of  
9 any such contract as those terms and provisions relate to a  
10 particular purchaser or qualified beneficiary, or (ii)  
11 discloses any other matter relating to the participation of any  
12 such purchaser or qualified beneficiary in the Illinois prepaid  
13 tuition program or in any independent plan under which that  
14 program is administered, is exempt from inspection, copying, or  
15 disclosure under the Freedom of Information Act. The Commission  
16 may authorize the program's records administrator to release  
17 such information to appropriate personnel at the eligible  
18 ~~MAP-eligible~~ institution at which the beneficiary may enroll or  
19 is enrolled or to another state or federal agency, for purposes  
20 that the Commission deems appropriate, in accordance with  
21 applicable state and federal law. However, any such institution  
22 or agency to which that information is released shall ensure  
23 the continued confidentiality of the information.

24 (Source: P.A. 90-546, eff. 12-1-97.)

1 (110 ILCS 979/65)

2 Sec. 65. Construction. Nothing in this Act or in an  
3 Illinois prepaid tuition contract shall be construed as a  
4 promise or guarantee by the Program or the State that a person  
5 will be admitted to any eligible ~~MAP-eligible~~ institution or to  
6 a particular eligible ~~MAP-eligible~~ institution, will be  
7 allowed to continue to attend an eligible ~~a MAP-eligible~~  
8 institution after having been admitted, or will be graduated  
9 from an eligible ~~a MAP-eligible~~ institution.

10 (Source: P.A. 90-546, eff. 12-1-97.)

11 Section 99. Effective date. This Act takes effect July 1,  
12 2010.